

2/26/99

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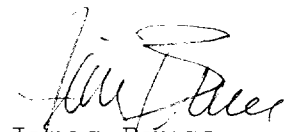
Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12466
Order No. R-11440

Dear Ms. Wrotenbery:

The above order was entered a few days ago. It contains a typo on page 3 (copy enclosed). Paragraph (3) should state "Abo" rather than "Morrow." Please correct this. Thank you.

Very truly yours,



James Bruce

should be authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(16) All proceeds from production from the well that are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(17) If the operator of the pooled unit fails to commence drilling the well to which the unit is dedicated on or before November 20, 2000, or if all the parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order should become of no effect.

(18) The operator of the well and unit should notify the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Gothic Production Corporation, all uncommitted mineral interests from the surface to the base of the Abo formation underlying the SE/4 of Section 28, Township 5 South, Range 25 East, NMPM, Chaves County, New Mexico are hereby pooled to form a standard 160-acre oil spacing and proration unit for formations and/or pools developed on 160-acre spacing within that vertical extent, including the Pecos Slope-Abo Gas Pool.

(2) The subject spacing and proration unit is to be dedicated to the applicant's proposed McClellan MOC Federal Com Well No. 22 to be drilled and completed at a standard gas well location in Section 28, pursuant to the special pool rules governing the Pecos Slope-Abo Gas Pool set forth in Division Order No. R-9976, as amended.

(3) The operator of the unit shall commence drilling the well on or before November 20, 2000, and shall thereafter continue drilling the well with due diligence to a depth sufficient to test the Morrow formation.

(4) In the event the operator does not commence drilling the well on or before November 20, 2000, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause shown.

(5) Should the well not be drilled to completion or abandoned within 120 days after commencement thereof, the operator shall appear before the Division Director and show